

Message Text

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ORIGIN EB-08

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DRAFTED BY EB/ORF/FSE:DSWILSON;KG

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TO USMISSION OECD PARIS IMMEDIATE

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E.O. 11652: N/A

TAGS: ENRG, OECD

SUBJ: IEA/SOM: CONSULTATION WITH VEBA AG, APRIL 20-21

REF: OECD PARIS 8213

MISSION SHOULD PASS TO IEA SECRETARIAT (TORRENS) FOLLOWING
QUESTIONS FOR UPCOMING SOM CONSULTATION WITH VEBA DUE IN
SECRETARIAT MARCH 30.

1. SPECIFIC PROBLEMS RELATED TO TWO-TIER SYSTEM:

-- WHAT WERE VEBA'S PRINCIPAL SUPPLY SOURCES IN 1976 AND
WHAT SHIFTS IN SUPPLY PATTERNS, IF ANY, ARE LIKELY IN 1977
AS A RESULT OF THE OPEC TWO-TIER SYSTEM?

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-- HAS VEBA SOUGHT TO INCREASE THE PROPORTION OF ITS
CRUDES FROM SAUDI ARABIA AND THE UAE AND, IF SO, TO WHAT
EXTENT HAS IT BEEN SUCCESSFUL?

-- IS VEBA BEING ASKED BY ITS SUPPLIERS OF 5 CRUDE TO
CERTIFY TO THE SAUDI GOVERNMENT THAT THE SAUDI PRICES

ARE BEING PASSED THROUGH?

-- WHAT ARE VEBA'S CAPACITY AND ECONOMIC INCENTIVES TO ASSIMILATE INCREASED QUANTITIES OF SAUDI MEDIUM AND HEAVY OILS?

-- ARE ANY FLAG RESTRICTIONS BEING PLACED UPON VEBA FOR CRUDE FROM ANY PARTICULAR SOURCE?

-- DOES IRAN HEAVY CRUDE COME CLOSE TO BEING COMPETITIVE WITH SAUDI HEAVY CRUDE IN THE CURRENT MARKET SITUATION?

-- HAS VEBA FOUND IT NECESSARY TO SHIFT FROM ESTABLISHED SOURCES TO AVAIL ITSELF OF LOWER PRICED SAUDI AND UAE CRUDES?

2. THE GENERAL SITUATION AND FUTURE PROSPECTS OF A SMALLER COMPANY SUCH AS VEBA IN THE INTERNATIONAL OIL MARKET:

-- IS VEBA CONTINUING TO ACQUIRE PETROLEUM INTERESTS IN GERMANY AND OUTSIDE OF GERMANY?

-- WHAT IS THE GERMAN GOVERNMENT'S FINANCIAL INTEREST IN AND CONTROL OVER VEBA?

-- HOW DOES VEBA VIEW THE PROSPECTS FOR SMALLER OIL COMPANIES SUCH AS ITSELF A) IN THE INTERNATIONAL MARKET AND B) IN THE EUROPEAN MARKET? HAVE THE PROSPECTS LIMITED OFFICIAL USE

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IMPROVED OR HAVE THEY DETERIORATED AS A RESULT OF NATIONALIZATION OF PRODUCTION IN THE MAJOR PRODUCING COUNTRIES?

-- WHAT WERE VEBA'S OBJECTIVES IN SUBMITTING WITH FOUR OTHER COMPANIES THE JOINT MEMORANDUM TO THE EC COMMISSION LAST JULY ON WAYS TO IMPROVE THE SITUATION OF THE EUROPEAN PETROLEUM INDUSTRY? HAS VEBA HAD ANY FURTHER DISCUSSIONS WITH THE EC ON THE SUBJECT, AND, IF SO, WHERE DO MATTERS NOW STAND? END TEXT.
CHRISTOPHER

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